

BERWICK DEVELOPMENT DISTRICT

Berwick, Louisiana

Financial Report

Year Ended December 31, 2014

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners
Berwick Development District
Berwick, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Berwick Development District (hereinafter "District"), a component unit of the Town of Berwick, Louisiana, as of and for the year ended December 31, 2014, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require a budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison schedule on pages 22-23 was not audited, reviewed, or compiled by us, and we do not express an opinion or provide any assurance on it.

The District has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 25, 2015

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 740
Capital assets, net	<u>7,149</u>
Total assets	<u>7,889</u>
NET POSITION	
Net investment in capital assets	7,443
Unrestricted	<u>446</u>
Total net position	<u>\$ 7,889</u>

See accompanying notes and independent accounts' review report.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Statement of Activities
Year Ended December 31, 2014

<u>Functions/Programs</u>	
Governmental activities - general government:	
Appropriation to Town of Berwick	\$ 321,319
Depreciation	294
Legal and Accounting	6,439
Miscellaneous	97
Professional fees	<u>13,400</u>
Total program expenses	<u>341,549</u>
General revenues:	
Miscellaneous	<u>5,995</u>
Change in net position	(335,554)
Net position - January 1, 2014	<u>343,443</u>
Net position - December 31, 2014	<u><u>\$ 7,889</u></u>

See accompanying notes and independent accountants' review report.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Balance Sheet
Governmental Fund
December 31, 2014

	<u>General Fund</u>
ASSETS	
Cash	<u>\$ 740</u>
FUND BALANCE	
Unassigned	<u>\$ 740</u>
	(continued)

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Balance Sheet (continued)
Governmental Fund
December 31, 2014

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position:

Total fund balance for governmental fund at December 31, 2014	\$ 740
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of landscaping.

	8,815	
Less: Accumulated depreciation	<u>(1,666)</u>	<u>7,149</u>

Net position of governmental activities at December 31, 2014	<u>\$ 7,889</u>
--	-----------------

See accompanying notes and independent accountants' review report.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2014

	<u>General Fund</u>
Revenues:	
Lot sales	\$ 335,000
Miscellaneous:	<u>5,995</u>
Total revenues	<u>340,995</u>
Expenditures:	
Current	
General government	
Appropriation to Town of Berwick	321,319
Miscellaneous	97
Legal and accounting	6,439
Professional fees	<u>13,400</u>
Total expenditures	<u>341,255</u>
Net change in fund balance	(260)
Fund balance, beginning	<u>1,000</u>
Fund balance, ending	<u><u>\$ 740</u></u>

(continued)

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended December 31, 2014

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities:

Total net changes in fund balance for the year ended December 31, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (260)
--	----------

Governmental funds report capital outlay as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Depreciation expense for the year ended December 31, 2014	(294)
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Some revenues reported in the governmental funds were reported as revenues in the statement of activities in a prior year	<u>(335,000)</u>
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Total change in net position for the year ended December 31, 2014 per Statement of Activities	<u>\$ (335,554)</u>
--	---------------------

See accompanying notes and independent accountants' review report..

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements

The Berwick Development District ("District") was created May 15, 1996 by an ordinance of the Town of Berwick, Louisiana under the authority of Louisiana Revised Statute 33:2740.31. The District operates under a Board of Commissioners. The purpose of the District is to acquire and develop real property within the corporate limits of the Town of Berwick for purposes of residential and economic development.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the Town, for reporting purposes, the Town of Berwick is the financial reporting entity. The financial reporting entity consists of the primary government (Town), organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the Town of Berwick for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- 1) Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Town to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
- 2) Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Town provides financing and office space to the District and appoints members of the governing body of the District, the District was determined to be a component unit of the Town of Berwick, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the District and do not present information on the Town, the general government services provided by the Town, or other governmental units that comprise the financial reporting entity.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a particular function. Proceeds from sales and items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The District uses the General Fund to maintain its financial records during the year. It is used to account for all financial resources except those required to be accounted for in another fund. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the District is considered to be a major fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded with the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. Governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Assets, Liabilities, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

Inventory

Inventory consists of residential lots for sale to the public and is reported at fair market value.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 for capitalizing assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Landscaping – 30 years

Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

Fund financial statements

Fund balance for the District's governmental fund is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal decision of the District's Board members, which is the highest level of decision-making authority.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board members has provided otherwise in commitment or assignment actions.

E. Revenues, Expenditures, and Expenses

Operating revenues and expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the District is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the District has cash (book balances) totaling \$740 in demand deposits.

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the District may not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2014, the District's total bank balance in the amount of \$740 was fully insured and therefore not exposed to custodial credit risk.

(3) Inventory

Inventory consists of residential lots for sale as follows:

	Number of Lots	Fair Market Value
Additions	-	-
Deletions	(6)	(335,000)
Balance, December 31, 2014	-	\$ -

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Financial Statements (continued)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Balance</u> <u>1/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2014</u>
Governmental activities:				
Capital assets being depreciated:				
Landscaping	8,815	-	-	8,815
Less accumulated depreciation for:				
Landscaping	<u>(1,372)</u>	<u>(294)</u>	<u>-</u>	<u>(1,666)</u>
Governmental activities capital assets, net	<u>\$ 7,443</u>	<u>\$ (294)</u>	<u>\$ -</u>	<u>\$ 7,149</u>

Depreciation expense of \$294 was charged to the general government function.

(5) Commissioner's Compensation

During the year ended December 31, 2014, none of the commissioners were compensated for their services to the District.

(6) Compensation Agency Head

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. No payments which would require disclosure were made to the District's chief officer, Alvin Willis, for the year ended December 31, 2014.

(7) Intergovernmental Agreement

On January 15, 1997, the District entered into an intergovernmental agreement with the Town of Berwick for the development and construction of Renwick Subdivision for residential expansion. The agreement stated that the Town of Berwick would transfer ownership of approximately 73.5 acres of land purchased for the development site. In exchange, the District would reimburse the Town of Berwick for all costs incurred by the Town for the purchase and development of the land as a subdivision.

During the year ended December 31, 1999, the Town of Berwick transferred title to approximately 30 acres of the 73.5 acres to the District. This parcel had been developed as the first phase of the Renwick development. The Town incurred costs totaling \$2,453,558 to develop the property.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Notes to Basic Financial Statements (continued)

During the year ended December 31, 2006, the Town of Berwick transferred title to approximately 6 acres of the remaining 73.5 acres to the District. This parcel had been developed as the second phase of the Renwick development.

During the year ended December 31, 2008, the Town of Berwick transferred title to approximately 6 acres of the remaining 73.5 acres to the District. This parcel had been developed as the third phase of the Renwick development. The Town incurred construction costs totaling approximately \$728,132 to develop the property.

During the year ended December 31, 2011, the Town of Berwick transferred title to approximately 4 acres of the remaining 73.5 acres to the District. This parcel had been developed as the fourth phase of the Renwick development. The Town incurred costs totaling approximately \$402,753 to develop the property.

During the year ended December 31, 2013, the Town of Berwick transferred title to approximately 10 acres of the remaining 73.5 acres to the District. This parcel had been developed as the fifth phase of the Renwick development. The Town incurred costs totaling approximately \$1,297,434 to develop the property.

Upon taking title to the property, the District commenced selling the residential lots to the public. In accordance with the terms of the agreement, the District transferred, to the Town, \$321,319 during the year ended December 31, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts Original</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Proceeds from lot sales	\$ 335,000	\$ 335,000	\$ -
Miscellaneous	<u>-</u>	<u>5,995</u>	<u>5,995</u>
Total revenues	<u>335,000</u>	<u>340,995</u>	<u>5,995</u>
Expenditures:			
Current -			
General government -			
Appropriation to Town of Berwick	314,100	321,319	(7,219)
Legal and accounting	7,500	6,439	1,061
Miscellaneous	-	97	(97)
Professional fees	<u>13,400</u>	<u>13,400</u>	<u>-</u>
Total expenditures	<u>335,000</u>	<u>341,255</u>	<u>(6,255)</u>
Net changes in fund balance	-	(260)	(260)
Fund balance, beginning	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,000</u>	<u>\$ 740</u>	<u>\$ (260)</u>

See note to budgetary comparison schedule.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Note to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Berwick Development District
Berwick, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by Berwick Development District (hereinafter "District") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2014 included in the accompanying Louisiana Attestation Questionnaire (Exhibit A). The management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

No disbursements exceeding the requirements for compliance with the public bid law were observed.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of your immediate family members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of you and all employees, as well as their immediate families.

We obtained lists of immediate family members and related outside business interest from the District's board members.

3. Obtain from management a listing of all employees paid during the period under examination.

The District had no employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management were also included on the listing obtained from management as immediate family members.

Not applicable

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget.

6. Trace the budget adoption to adoption instruments.

Adoption of budget traced to executed process verbal.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budget revenues by five percent (5%) or more or if actual expenditures exceeded budgeted amounts by five percent (5%) or more.

Actual revenues did not fail to meet and expenditures did exceed budgeted amounts by 5% or more.

Accounting and Reporting

8. Randomly select six (6) disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

We traced the selected disbursements to their respective general ledger postings and determined that all were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval proper authorities.

We inspected the disbursement for the proper approval and determined that the District had properly approved all disbursements.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda at the building in which the meeting is to be held. We examined documentation indicating the date and time of such postings in accordance with the reference statutes.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

Not applicable – the District has no employees.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Our prior year report, dated May 15, 2014, did not include any comments or unresolved matters with regard to the foregoing agreed upon procedures.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the District and the Louisiana Legislative Auditor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 25, 2015

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Schedule of Findings
Year Ended December 31, 2014

Findings required to be reported in accordance with *Government Auditing Standards*

A. Internal Control

2014-001 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: *Internal control* is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Schedule of Findings (continued)
Year Ended December 31, 2014

2014-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

CRITERIA: An entity's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Schedule of Prior Findings
Year Ended December 31, 2014

A. Internal Control –

2013-1 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: The conditions giving rise to the finding still remain. The finding will be reiterated in the current year.

2013-2 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the application of generally accepted accounting principles in the preparation of financial statements.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: The conditions giving rise to the finding still remain. It has been management and the board's position that it is more cost effective to outsource the preparation of its annual financial statements to its independent auditors. Therefore, the finding will again be reported in the current year.

B. Compliance –

2013-3 Budget Act Violations

CONDITION: The District failed to amend its operating budget for the year ended September 30, 2013 when actual expenditures exceeded budgeted appropriations by greater than the allowed five percent variance.

RECOMMENDATION: The District should monitor its expenditures and amend its operating budget when an unfavorable variance in excess of five percent occurs.

CURRENT STATUS: This finding was only attributable to the year ended September 30, 2013. The finding will not be reported in the current year unless the District again fails to amend its operating budget and incurs an unfavorable budget variance in excess of five percent.

BERWICK DEVELOPMENT DISTRICT
Berwick, Louisiana

Corrective Action Plan for Current Findings
Year Ended December 31, 2014

2014-001 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Not considered necessary.

2014-002 – Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

MANAGEMENT'S RESPONSE: The District has determined that it would be more cost effective to outsource the preparation of the District's financial statements to its independent auditors rather than incur the costs to employ someone with the appropriate skill and expertise to prepare the financial statements in accordance with generally accepted accounting principles.

EXHIBIT A

BERWICK DEVELOPMENT DISTRICT
LOUISIANA ATTESTATION QUESTIONNAIRE
Year Ended December 31, 2014

Kolder, Champagne, Slaven & Company, LLC
P.O. Box 3438
Morgan City, La 70381

In connection with your review of our financial statements as of December 31, 2014 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12-31-14 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.
Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.
Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28. Yes ☒ No ☐

Debt

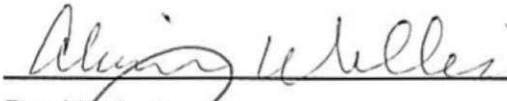
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65. Yes ☒ No ☐

Advances and Bonuses

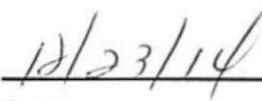
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729. Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.


We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.



President



Date



Secretary
Board Member



Date